

PROGRAM NARRATIVE**244 North Dakota Forest Service****Date:** 01/13/2011**Time:** 11:22:29**Program:** Operations**Reporting level:** 00-244-100-00-00-00-00000000**Program Performance Measures**

See performance measures under agency overview.

Program Statistical Data

The North Dakota Forest Service provided technical, financial and educational assistance to 53 counties, 228 fire departments, 153 communities, 1,763 landowners, 1,201 K-12 teachers and 35,596 K-12 students during 2007-2009. Program highlights include:

Forestry and Fire Management awarded \$402,011 in community forestry grant funds for tree planting and other forestry development projects; funded \$212,879 in cooperative forestry landowner assistance; provided \$307,199 in incentives for living snow fence projects protecting interstate, state, county, township and BIA roads; enrolled 644 landowners with 41,605 acres in the Forest Stewardship Tax Law; and provided 17,356 training hours to enhance rural fire department capacity. The Forest Service reached 1,201 teachers and 35,596 students through educational workshops, poster contests, eco-education camps, conservation days, school presentations and the high school envirothon program.

Nursery and State Forests produced and marketed 1,255,920 high quality tree seedlings from Towner State Nursery to North Dakota customers for conservation plantings. The trees included 29 species and stock types. Tree orders are shipped to over 500 soil conservation districts, natural resource agencies and private landowners each year. State Forests leased 965 acres for haying and grazing to 13 landowners.

Explanation of Program Costs

The total requested base budget increase for Operations is \$738,074. Operations fund public forestry services provided by the North Dakota Forest Service through field offices at Bismarck, Bottineau, Carrington, Fargo, Grafton, Lisbon, Towner and Walhalla. Expenditures include travel, telephone and motor pool costs associated with servicing over 2,000 field forestry requests statewide each year. Operations fund tree production at Towner State Nursery. Expenditures include utilities, repairs and supplies for seeding, weeding, irrigating, fertilizing, lifting, packing and shipping operations associated with both bare-root seedling and containerized tree production. Towner State Nursery provides essentially all of the conifer (evergreen) seedlings for conservation and forestry plantings in every county of North Dakota.

The Forest Service requested parity increase, totaling \$430,000, includes \$74,422 for costs-to-continue the FY 2011 legislatively funded salary increases; \$214,150 for a 2011-13 salary increase of an average 4.5% per year; \$108,195 for 2011-13 health insurance premium increases; and \$33,233 for operating inflation of 2.1% for FY 2012 and 2.0% for FY 2013.

The Forest Service base funding increase includes \$351,019 in program enhancement funds to address critical natural resource issues identified in the **North Dakota Statewide Assessment of Forest Resources and Forest Resource Strategy** completed on June 18, 2010. The assessment and strategy provide a long term, comprehensive, plan for sustaining North Dakota's forest resources. Threats to forest resources in North Dakota include invasive (insects and pathogens) tree pests; over-maturity and limited natural regeneration of forest resources; lack of tree species diversity and vulnerability to damaging agents; lack of education outreach; conversion from historic vegetation types; wildfire; limited wood utilization opportunities; and climate change. Local, state, federal and tribal partner identified invasive forest insects and pathogens, communities at risk from wildfire, and riparian (streamside) forest restoration as critical natural resource management issues. The enhancement will be used to fund salaries, fringes and operating expenses for public forestry services identified in the statewide assessment including rising tree production costs at Towner State Nursery and the replacement of specialized forestry equipment at field offices at Bottineau, Lisbon and Walhalla. This enhancement will benefit communities, fire districts and private forest landowners through key programs including community forestry, fire protection, forest health and forest stewardship. A wide variety of customers depend on the Forest Service for technical, financial and educational forestry assistance. The program enhancement budget needs for the 2011-13 biennium will focus on

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organizational capacity measures to increase program efficiencies, strengthen customer service, promote teamwork and allow flexibility to address emerging natural resource issues.

The Forest Service base funding request also includes \$17,623 for an employee retirement contribution increase.

Emerald Ash Borer Mitigation is a \$500,000 one-time optional funding change identified by the North Dakota Forest Service to help North Dakota communities prepare for the arrival of the emerald ash borer (EAB). Emerald ash borer is a highly invasive, exotic insect that attacks and kills all species of North American ash trees (green, white, black and blue ash). Since its introduction from China in the early 1990s, emerald ash borer has killed more than 50 million trees in Illinois, Indiana, Iowa, Kentucky, Maryland, Michigan, Minnesota, Missouri, New York, Ohio, Pennsylvania, Virginia, West Virginia, Wisconsin and the Canadian provinces of Ontario and Quebec. Now found in Minnesota, the insect is likely to arrive somewhere in North Dakota in the next few years. Significant financial resources will be required to delineate and manage insect infestations in order to slow their spread and mitigate their impacts on forest resources and state and local budgets. The \$500,000 budget request would allow the North Dakota Forest Service to provide assistance to communities for tree removal and replacement on a 1:1 match. North Dakota is estimated to have 78 million ash trees. Ash is the most common tree planted in communities, reaching 60% of the tree population in some towns. Green ash represents a large percentage of the state's 55,000 miles of field and farmstead windbreaks. Costs of removing, disposing and replacing community trees lost to emerald ash borer can average \$600-\$800 per tree. In the City of Bismarck alone, it would cost \$5.2 million to remove dead ash trees and replant. Coupled with the economic benefits associated with trees lost, such as reduced energy costs and ecosystem services, the insect's impact could far exceed \$1 billion dollars in North Dakota. When emerald ash borer arrives in North Dakota, it is anticipated that communities may request more than \$1 million each year in financial assistance from the North Dakota Forest Service to remove dying street trees and replant with a diversity of new species. Communities are already removing declining ash and replanting to spread out the impact costs. The North Dakota Forest Service established a Community Forestry Challenge Grant Program when the 1990 Farm Bill created an Urban and Community Forestry Program administered by the U.S. Forest Service. Since 1991, the North Dakota Forest Service has passed through \$962,355 in federal funds for 370 community tree planting and tree care projects totaling over \$2,755,706. Unfortunately, declining federal funding eliminated this program for North Dakota in federal fiscal year 2007. This one-time funding for Emerald Ash Borer Mitigation would reinstate this Community Forestry Challenge Grant Program.

Program Goals and Objectives

Administer forestry programs statewide by providing leadership, direction and coordination of agency operations to improve public service and assure compliance with statutory responsibilities. Provide technical forestry services relating to the management of private forest lands, state forest lands, urban and community forests, tree planting and wildland fire protection. Produce high quality acclimated tree nursery stock at the lowest possible cost to meet landowner's demand for conservation, forestry, wildlife and amenity tree plantings.

REQUEST DETAIL BY PROGRAM

244 North Dakota Forest Service

Bill#: HB1003

Date: 01/13/2011

Time: 11:22:29

Biennium: 2011-2013

Program: Operations		Reporting Level: 00-244-100-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Operating Expenses					
Operating Fees and Services	3,057,462	4,531,608	625,579	5,157,187	500,000
Total	3,057,462	4,531,608	625,579	5,157,187	500,000
Operating Expenses					
General Fund	2,355,342	3,473,554	686,147	4,159,701	500,000
Federal Funds	0	0	0	0	0
Special Funds	702,120	1,058,054	(60,568)	997,486	0
Total	3,057,462	4,531,608	625,579	5,157,187	500,000
Total Expenditures	3,057,462	4,531,608	625,579	5,157,187	500,000
Funding Sources					
General Fund					
Total	2,355,342	3,473,554	686,147	4,159,701	500,000
Special Funds					
326 Forest Service Fund 244c	665,237	810,568	(60,568)	750,000	0
451 Cent. Tree Prog. Trust Fund	36,883	247,486	0	247,486	0
Total	702,120	1,058,054	(60,568)	997,486	0
Total Funding Sources	3,057,462	4,531,608	625,579	5,157,187	500,000
FTE Employees	19.47	26.00	2.00	27.00	0.00

CHANGE PACKAGE DETAIL

244 North Dakota Forest Service

Biennium: 2011-2013

Bill#: HB1003

Date: 01/13/2011

Time: 11:22:29

Program: Operations			Reporting Level: 00-244-100-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes**Ongoing Budget Changes**

A-A 1 Parity		0.00	430,000	0	0	430,000
A-A 10 Forest Service Additional Base Funding		1.00	238,524	0	0	238,524
A-A 11 Other Revenue Change		0.00	0	0	(60,568)	(60,568)
A-A 12 2009-11 Adjusted FTE		26.00	0	0	0	0
A-A 7 Employee Retire Contrib Increase		0.00	17,623	0	0	17,623
Base Payroll Change		(26.00)	0	0	0	0
Total Ongoing Budget Changes		1.00	686,147	0	(60,568)	625,579
Total Base Budget Changes		1.00	686,147	0	(60,568)	625,579

Optional Budget Changes**One Time Optional Changes**

A-D 2 Emerald Ash Borer	1	0.00	500,000	0	0	500,000
Total One Time Optional Changes		0.00	500,000	0	0	500,000
Total Optional Budget Changes		0.00	500,000	0	0	500,000

PROGRAM NARRATIVE**244 North Dakota Forest Service****Date:** 01/13/2011**Time:** 11:22:29**Program:** Capital Assets**Reporting level:** 00-244-200-00-00-00-00000000**Program Performance Measures**

See performance measures under agency overview..

Program Statistical Data

The agency is responsible for maintaining buildings and facilities at 5 locations. Buildings at Bottineau, Lisbon and Walhalla deliver forestry services while the Towner State Nursery provides tree seedlings to the citizens of North Dakota. Recreational improvements are also located on the State Forests. Capital assets consist of 41 office, shop and storage buildings. The buildings are valued at \$2,423,733. Building ages vary from 1 year to 75 years. In addition, the infrastructure associated with these facilities is valued at \$1,686,243.

Explanation of Program Costs

Extraordinary repairs include miscellaneous small projects at field offices at Lisbon and Towner. The 2011-13 funding request for extraordinary repairs is \$36,638. Repairs include energy efficient improvements at the Lisbon office, shop and storage buildings. Repairs at Towner State Nursery include siding, shingles and windows for the irrigation building.

Capital Projects include \$550,000 for Nursery Freezer Conversion/New Building at Towner State Nursery. The project addresses critical freezer storage for tree seedlings, replaces equipment storage space and provides a heated shop. Each spring, the nursery lifts approximately 1 million bare root seedlings, but lacks adequate storage for the seedlings. Conversion of an equipment storage building to a freezer storage unit would increase storage capacity from 120,000 to 250,000 trees and allow early spring shipment of seedlings to meet customer demands. It would also increase production, improve species availability and enhance seedling quality. The project involves the conversion of an existing 50 X 100 ft. equipment storage building to a freezer storage building and the construction of a new storage building. The conversion of the existing building requires installation of compressor freezer units at a cost of \$100,000. The existing building is in excellent condition, insulated and has a finished interior. Construction of a new steel building will replace storage space that was eliminated with the conversion of the existing building. Critical storage is needed for equipment, packaging supplies and fertilizer. In addition, the new construction will provide a heated shop. The steel building will be 50 feet wide and 160 feet long with a concrete floor. Specifics of new construction include: Steel building with concrete floor and heated shop - \$380,000, architectural services - \$50,000, and forklift driveways for access -\$20,000.

Program Goals and Objectives

Utilization of funds for plant improvements in high need areas, resulting in more efficient services to the public, long-range cost savings and a safer work environment. Upgrade facilities in compliance with state and federal regulations.

REQUEST DETAIL BY PROGRAM

244 North Dakota Forest Service

Bill#: HB1003

Date: 01/13/2011

Time: 11:22:29

Biennium: 2011-2013

Program: Capital Assets		Reporting Level: 00-244-200-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Capital Assets					
Land and Buildings	217,087	300,000	250,000	550,000	0
Extraordinary Repairs	0	36,638	0	36,638	0
Equipment Over \$5000	0	0	112,495	112,495	0
Total	217,087	336,638	362,495	699,133	0
Capital Assets					
General Fund	180,204	336,638	362,495	699,133	0
Federal Funds	0	0	0	0	0
Special Funds	36,883	0	0	0	0
Total	217,087	336,638	362,495	699,133	0
Total Expenditures	217,087	336,638	362,495	699,133	0
Funding Sources					
General Fund					
Total	180,204	382,214	316,919	699,133	0
Special Funds					
326 Forest Service Fund 244c	36,883	0	0	0	0
Total	36,883	0	0	0	0
Total Funding Sources	217,087	382,214	316,919	699,133	0

CHANGE PACKAGE DETAIL

244 North Dakota Forest Service

Biennium: 2011-2013

Bill#: HB1003

Date: 01/13/2011

Time: 11:22:29

Program: Capital Assets			Reporting Level: 00-244-200-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes**One Time Budget Changes**

A-B 1 Major Capital Projects		0.00	550,000	0	0	550,000
A-E 2 Remove One time Funding for Def Mnt		0.00	(45,576)	0	0	(45,576)
A-E 3 Remove Capital Projects		0.00	(300,000)	0	0	(300,000)
Total One Time Budget Changes		0.00	204,424	0	0	204,424

Ongoing Budget Changes

A-A 10 Forest Service Additional Base Funding		0.00	112,495	0	0	112,495
A-A 4 Base Extraord Repairs		0.00	36,638	0	0	36,638
A-F 2 Remove Base Funding for Extraord Repairs		0.00	(36,638)	0	0	(36,638)
Total Ongoing Budget Changes		0.00	112,495	0	0	112,495

Total Base Budget Changes		0.00	316,919	0	0	316,919
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